

Category: Employee Engagement

Organisation: RWE npower

Date: October 2007

EFA overview

RWE npower decided that rather than doing the legal minimum to meet the requirements of the Age Regulations, they would take an opportunity to embed inclusiveness in company culture. Objectives included engaging managers through training and communications based around... 'building a company to be proud of by valuing people whatever their age'.

The initiative

Using the age legislation as a catalyst to design and implement a plan to engage all employees in age and diversity issues by promoting 'valuing difference'.

Aims and purpose

To engage managers and employees in age 'inclusiveness' highlighting the need for non-discriminatory practices and procedures, in order to include the talents of all employees and enhance the company's reputation.

Particular issues included:

- Recruitment of graduates and apprentices - removing any age constraints in place
- Access to developmental programmes
- Retirement - dealing with contractual expectations and explaining the implications of the new age legislation
- Exit terms - dealing with obvious potentially unlawful factors
- Pre-retirement leave

Business drivers

- The existence of a large cohort of experienced employees aged 50+ whose departure without proper resource planning would compromise the business
- The need to manage expectations of trade unions in regard to company policy and practice to minimise Employee and Industrial Relations issues
- The need to embed age equality (npower policies already referred to age as a potential discriminator to be avoided, but there was a need to ensure that procedures and practices are applied in a non-discriminatory way by managers within the business)
- The opportunity the Age Regulations presented in the broader context of the diversity agenda, promoting age as a positive rather than negative factor. It was felt engaging the whole employee population in

an awareness campaign would increase understanding of all diversity issues (including age) and stimulate support for changes in practice where inappropriate attitudes towards age might exist.

Approach taken

RWE npower's age work commenced in July 2005 with full implementation by October 2006.

Early on the company engaged with leading trade union representatives to brief them on their thinking about the changes required by age legislation and the impact on existing collective agreements and contractual expectations of employees around retirement and associated leave and pension entitlements.

The company established a working party 'age steering group' of 12 people in January 2006 which included representatives from HR, Internal Communications and Managers from different business streams. This group explored the legislation and considered how it should be implemented. They agreed how to communicate and how to get buy-in to the changes required.

This involved:

- Early steps to advise employees approaching retirement of the impact of new laws
- Introduction of senior management training, with further training on an internal cascade basis
- Raising awareness of the need to review and revise criteria in connection with recruitment, selection and development where necessary
- A major communications campaign to all RWE npower employees in the UK on age discrimination to ensure all decisions in recruitment, promotion and training did not include age. All communication channels were used including team briefings, nformer (our email newsletter), posters and email
- Reinforcing awareness of issues around harassment and victimisation on the grounds of age; in support of existing policies.
- The removal of age criteria in discretionary selective severance arrangements
- Removing compulsory retirement before the age of 65 whilst positively managing the expectations of those employees who may still wish to retire at an earlier age in line with historic arrangements. All pending retirees from age 58 years received a personal letter to inform them of the change in legislation and process, giving reassurance that they retained existing contractual retirement options.

In order to achieve the cultural shift, RWE npower:

- Initiated a corporate poster campaign based on 'Valuing Difference' with a concise list of "do's & don'ts", including interviews with staff of varying ages to understand how they value age
- Set up a intranet site with a business friendly briefing on the regulations
- Issued a managers' briefing pack covering the areas raised under legislation
- Implemented a 'Valuing Difference' e-learning tool - a diversity presentation with questions to work through the positive message (already accessed by 3,500 people). This was backed up by a 'Valuing Difference' DVD/video training package with a core message that everyone's contribution is important, regardless of their background and personal circumstances
- Provided special training for managers, including senior level managers.

Critical to the success of RWE npower's approach was engaging managers, the 'front line' practitioners, in age inclusiveness. The investment in face-to-face training, including the company's most senior managers, stressed the importance placed on this issue.

All training was supported by clear, simple documentation which allowed managers to feel confident of their responsibilities. The expertise of local HR specialists was positioned to reinforce but not replace local management.

The legal responsibilities of the wider employee population were also stressed in communications not only from the Chief Executive, but also directly from line managers through team briefings, again supported by clear, simple documentation.

The strength of the campaign lay in putting age legislation into its diversity context. The diversity video and e-learning tool, and face-to-face training were used to highlight the positive business and personal benefits from being an inclusive organisation.

The aim was to ensure that age inclusiveness was understandable and linked with the company's longer standing discrimination work. In this instance a case study of Barbara and Allan, the youngest and oldest members of npower's contact centre was developed. These employees, and their positive experience of the Company, were profiled in the Company newspaper and on posters, with the message: "Building a Company to be proud of by valuing all our people whatever their age."

Barriers

There were concerns that individual views of managers might not fully align with official company policy. For historical reasons, in an industry that had been heavily unionised with high levels of pension scheme membership, there was confusion between the processes of retiring and moving into eligibility for pension rights. Also for historical reasons and past staff reduction exercises, the 50–65 age group had certain expectations and had a distorted age profile which meant that there was the prospect of disproportionately large numbers of employees reaching retirement at about the same time. There was also reluctance by the executive to be in the vanguard in abolishing retirement age, leaving a mandate to retain an NRA of 65.

The main challenge was to ensure everyone was engaged. This was tackled by the decision to roll out understanding of diversity and inclusion in general, rather than majoring on age in isolation (though there were various communication initiatives that did focus on age only). This was undertaken to ensure that the message of valuing difference became embedded in RWE npower culture.

The key messages RWE npower wanted to get across were:

- not to make decisions based on age;
- always recruit on competency;
- not to use age related phrases in job adverts;
- to remove length of service requirements where these could not be justified;

- to ensure that references to experience related to competence rather than elapsed time

Impact

The company now has better, clearer documentation around recruitment, retirement and code of conduct policies and has procedures on other policy areas. This has:

- helped the business focus on what is important
- given a clear message to the organisation's managers and employees and our external customers on our values whilst embedding best practice through our policies and processes
- helped to focus on the demographic challenges of employment and the need to review candidates purely on the competencies for the job - eliminating stereotyping

Monitoring

- RWE npower utilised a BBC quiz tool at an early stage with a prize incentive to encourage the whole HR team was committed to understanding age related issues
- Relevant age related questions have been included in the main and subsidiary staff surveys and preliminary indications from staff survey data suggest that employees are very comfortable with the company's stance on diversity and equal opportunities. This correlates with positive feedback from employee research commissioned in the past three months in connection defining npower's employer brand.
- Objectives for diversity for 2007 are established and formalised in the company's Corporate Responsibility Report for 2006 and progress is monitored and publicly reported. For example, 90% of all new starters receive diversity and inclusion training, of which age awareness is a part.

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